

Message Text

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DON SOTWICK, EXECUTIVE VICE PRESIDENT

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FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 151054

E.O. 11652 N/A

TAGS: APUB, BR

SUBJ: PRESS RELEASE ON EXIMBANK LOAN TO BRAZIL

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE LOAN OF
DOLS 4,275,000 TO PIRELLI S.A. COMPANHIA INDUSTRIAL BRASILEIRA
OS SAO PAULO, BRAZIL. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE
IN WASHINGTON , D.C. FOR AM PAPERS, WEDNESDAY, AUGUST 8, 1973.

QUOTE: EXIMBANK HLEPS FINANCE DOLS 9.5 MILLION SALE OF
U.S. EQUIPMENT FOR TIRE PLANTS IN BRAZIL

TO HELP FINANCE A DOLS 9.5 MILLION SALE OF U.S. GOODS AND SERVICES
REQUIRED IN THE EXPANSION OF TWO TIRE MANUFACTURING PLANTS IN
BRAZIL, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE
UNITED STATES HAS AUTHORIZED A DIRECT LOAN OF DOLS 4,275,000 TO
FINANCE 45 PERCENT OF THE U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIR-
MAN HENRY KEARNS.

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A LOAN OF DOLS 4,275,000 FROM PRIVATE SOURCES NOT YET SELECTED WILL

ALSO FINANCE 45 PERCENT OF THE U.S. COSTS. THE BORROWER, PIRELLI S.A. COMPANHIA INDUSTRIAL BRASILEIRA OF SAOU APULO, WILLMAKE A CASH PAYMENT OF 10 PERCENT OF THE U.S. COSTS, OR DOLS 950,000. PIRELLI , S.A. IS A WELL ESTABLISHED BRASZILIAN MANUFACTURER OF TIRES, CABLE AND ELECTRICAL EQUIPMENT.

COSTS OF THE EXAPNSION OF THE TWO PLANTS, BOTH LOCATED IN THE STATE OF SAO PAULO, ARE EXPECTED TO TOTAL SOME DOLS 19 MILLION.

SINCE 1970, PIRELLI HAS BEEN THE RECEIPIENT OF TWO EXIMBANK LOANS TOTALLING NEARLY DOLS 4.7 MILLION.

THE LOANS IN THE CURRENT TRANSACTION ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING AUGUST 10, 1976, WITH EXIMBANK'S DIRECT LOAN OF DOLS 4,275,000 TO BE REPAID OUT OF THE LAST 8 INSTALLMENTS WITH INTREST WHICH WOULD BE CHARGED AT THE ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES. UNQUOTE ROGERS

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TAGS: APUB, BR
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